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CLASSIFICATION

CENTRAL INTELLIGENCE AGENCY

INFORMATION FROM FOREIGN DOCUMENTS OR RADIO BROADCASTS

COUNTRY SUBJECT

Hungary

Economic - Government revenues

DATE OF INFORMATION

1951

HOW

PUBLISHED

Daily newspaper

DATE DIST. 6 Nov 1951

WHERE

PUBLISHED

Budapest

NO. OF PAGES 2

PUBLISHED

2 Feb 1951

SUPPLEMENT TO

LANGUAGE

Hungarian

REPORT NO.

THIS IS UNEVALUATED INFORMATION

SOURCE

STATE

Magyar Kozlony.

PUBLISH REGULATIONS ON 1951 HUNGARIAN PROPERTY TAX

Decree No 6,355-V/10/1951 (II. 2) 11. a. of the Minister of Finance on the levy of property tax for 1951 is as follows:

Agriculture and Forestry

The value of all real property -- both self-operated and leased -- used in agriculture and forestry shall be appraised at 150 vorints per crown of net cadastral income, with a minimum of 700 forints per cadastral yoke. The minimum value of pastures and forests shall be 500 forints per cadastral yoke.

If the appraisal was based on net cadastral income, the value as well as the net income of the real property will be appraised for each branch of cultivation separately. New vineyards, which are temporarily exempt from taxation, are not subject to this regulation. The net cadastral income of such property shall be appraised on the basis of the net income of neighboring vineyards.

Working Capital in Agriculture and Forestry

Horses and cattle will be appraised at 1,000 to 1,500 forints per head, d. anding on local conditions and the development of animal husbandry. Two mule' or donkeys, five hogs, ten suckling pigs, 12 adult or 24 young sheep, respectively, shall be counted as equivalent to one horse or cow. Fattened animals shall be appraised by weight and market prices at the end of the year.

Farm equipment shall be appraised at 4 to 8 percent of the value of the farm land. The value of leased land, if any, shall be added to the value of land owned by the taxpayer in computing the value of farm equipment. If the land is held in lease, the value of the farm equipment is appraised at 4 to 8 percent of the value of the leasehold.

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Buildings and Building Land RESTRICTED

In general, the value of buildings and building land equals the purchase price, provided the latter exceeds appraisal on the basis of the following paragraph.

If the property was not acquired by purchase, its value shall be appraised according to the building tax basis at the following rates:

- a. If the building tax basis does not exceed 3,000 forints, the value of the building shall be equal to the building tax basis multiplied by six in the area of Budapest; multiplied by seven in provincial cities; and multiplied by eight in towns.
- b. If the building tax basis is over 3,000 forints but does not exceed 10,000 forints, the total value shall be the amount arrived at under a above, plus the amount in excess of 3,000 forints multiplied by four.
- c. If the building tax basis is over 10,000 forints, the total value shall be equal to the amount arrived at under b acove, plus the amount in excess of 10,000 forints multiplied by three.

 $\underline{\mathtt{Example}}$: If the property is located at Budapest and the building tax basis is 18,000 forints, the value shall be appraised at 70,000 forints as follows:

3,000 forints x 6 7,000 forints x 4 8,000 forints x 3	18,000 28,000 24,000	forint
Total value	70,000	forint

Working Capital of Industrial and Commercial Enterprises

The working capital of industrial and commercial enterprises shall be appraised as follows:

If the taxpayer keeps books and prepares balance sheets, the value of the working capital shall be established from the inventory.

If the taxpayer keeps only informal notes instead of books, the working lapital shall be appraised at 10 to 60 percent of gross revenues, depending on local conditions.

For small businesses, where turnover furnishes the best clue to the amount of working capital, the latter shall be taken as equal to three to ten times the amount of income tax for 1950.

Tax returns must be filed and all preparatory work in connection with the lavy of property tax must be completed by 31 May.

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